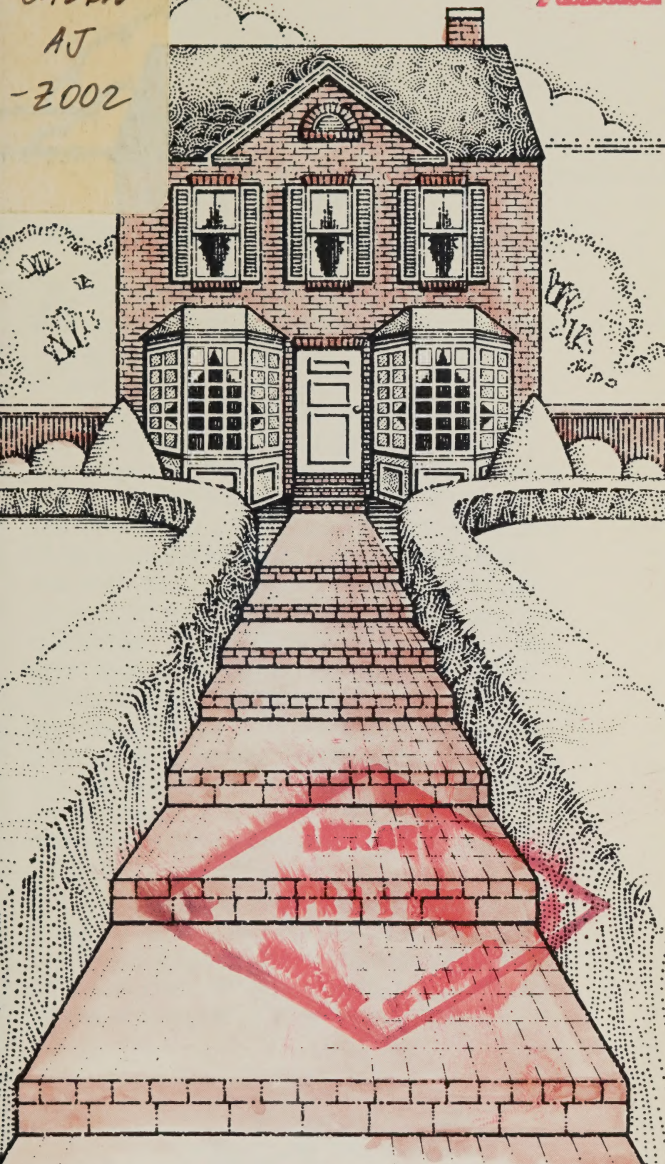


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A STEP BY STEP GUIDE

On how to appeal your residential
property tax assessment



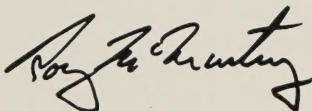
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A MESSAGE FROM THE ATTORNEY GENERAL

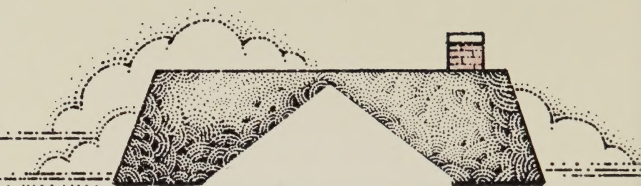
As Attorney General I am striving to make the administration of justice more accessible to and convenient for the public it serves.

As part of this effort, we are publishing this guidebook to assist residential property owners in determining whether their property is fairly assessed for tax purposes. The book was prepared in co-operation with the Ministry of Revenue, which conducts the assessment, and with the Assessment Review Board and Ontario Municipal Board, independent boards established by the Ontario Government. The book highlights the process by which assessments are made, explains the steps in the appeals system and offers tips to help you if you decide to appeal. The Ministry of Revenue also has publications you may wish to read on the assessment system itself and the ministry's assessors in your area will provide a detailed explanation.

Ontario's property assessment system is designed so that owners pay their fair share of municipal taxes. The system of appeals is set up so that owners can obtain an impartial review and appeal of their assessment.



R. Roy McMurtry
Attorney General



INTRODUCTION

This booklet is designed as a step-by-step guide on how to appeal residential property tax assessments.

It contains information about how assessments are made and how property owners can calculate whether or not their properties have been fairly assessed. It will also explain how the appeal system works and how to prepare a case for an appeal.

It is important that taxpayers know the steps of appeal, how to walk them and what to watch for.

As an owner, you have the right to appeal your assessment first to the Assessment Review Board. If you're dissatisfied with the decision of this board, you can make a further appeal to a higher body, the Ontario Municipal Board. Both of these independent tribunals were established by the Ontario Government.

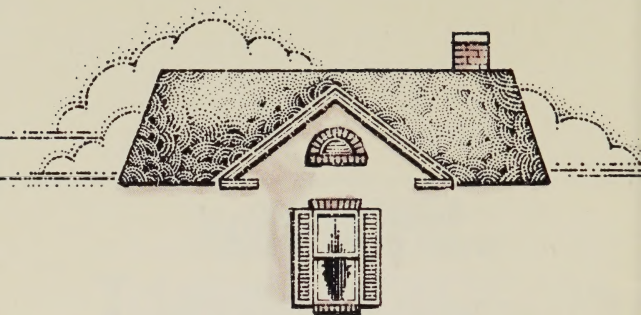
ASSESSMENT: WHO DOES WHAT

Frequent mention will be made in this booklet of regional assessment offices and neighborhood assessors of the Ministry of Revenue as well as the Assessment Review Board and the Ontario Municipal Board. First, an explanation of what they are and what they do.

The Ministry of Revenue has the task of assessing all properties in Ontario through its regional assessment offices and their neighborhood assessors. The ministry also fields questions from the public about assessment and related topics. In addition, it explains to the public at large tax assessment practice and policy. Assessors are not property tax collectors nor do regional offices handle taxes. Property taxes are imposed and collected by your municipality.

The Assessment Review Board is an impartial board whose main function is to provide taxpayers with a reasonable opportunity to be heard if they feel their assessment is wrong or unfair. Its duties are strictly defined. It cannot, for example, answer your questions about assessments or about your Notice of Assessment. To do so or to give advice could jeopardize the board's impartiality.

The Ontario Municipal Board is a higher tribunal in the appeal system. It provides property owners with the opportunity to further appeal their assessment if they are dissatisfied with the decision of the Assessment Review Board.



WHY YOUR ASSESSMENT MAY CHANGE

Many properties in Ontario have been under-assessed for decades while others have been over-assessed. This results in unfairness in the amount of taxes paid.

If assessment is done fairly, then similar properties in a similar vicinity should be assessed at a similar rate with their owners paying a similar amount of taxes.

It's to this end that the Ontario Government, which took responsibility for assessment from the municipalities in 1970, began a major program of re-assessment. These re-assessments are done at the request of a municipality.

Such a program is particularly necessary in larger urban areas where assessments in older neighborhoods may be outdated.

Re-assessments do not invariably lead to a bigger tax bite, according to the Ministry of Revenue. In approximately 600 municipalities re-assessed since 1970, between 60 and 70 per cent of the owners had their assessments lowered or the re-assessments were unchanged.

TAXES

There is some degree of public uncertainty about the difference between assessment and taxes. Your taxes are the product of two factors: your assessment and the mill rate set by your municipality.

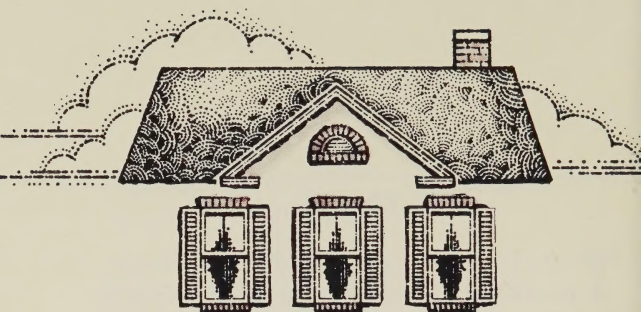
What's a mill rate? The word is derived from the Latin for 1,000. Thus a mill rate of 85 means that your local government is going to levy \$85 in taxes on each one thousand dollars of your assessment.

HOW YOU'RE ASSESSED

The principal yardstick used to assess property is market value. Market value simply means the approximate price most people would be willing to pay for your property in the condition it is in today.

A lot of factors determine how much your house would fetch on the market: neighborhood, size, age, condition, location of schools, hospitals and shops; and distance to subway, bus stops and major highways.

Of equal importance in the assessor's estimate, of course, is how much is being paid for similar properties to yours in the vicinity.



IF YOU'RE UNHAPPY WITH YOUR ASSESSMENT

If you feel your property has been unfairly assessed, you can do a number of things. The first of these, and one which might make other steps unnecessary, is to have a talk with your neighborhood assessor.

Assessors work out of regional offices. The address and telephone number of your regional office is listed on the form called Notice of Assessment.

As a property owner, you may call your regional assessment office at any time for assistance or for an explanation of your assessment.

Regional offices also hold Open Houses. These are informal get-togethers at local schools or halls between assessors and owners who have questions about their valuation.

Open Houses are held shortly after your Notice of Assessment is sent out. The date, time and place is included with the notice or it can be obtained by calling your regional assessment office.

If you can't attend an Open House, you can make an appointment to meet with your neighborhood assessor elsewhere.

Many problems can be solved at these informal meetings between owner and assessor.

You should ask the assessor at this stage how your property was valued. Other possible questions might include:

- How was market value determined and what comparisons did the assessor make?
- Was the whole property re-assessed or were renovations added to the existing value?

If after these talks you're still dissatisfied, your next move is to file an appeal to the Assessment Review Board.

HOW TO FILE YOUR APPEAL

The steps you must take to lodge an appeal with the regional registrar of the Assessment Review Board are listed on the back of your Notice of Assessment. The address of the board is also shown on the notice.

If you should happen to lose the notice, the phone numbers of both the board and the regional assessment office of the Ministry of Revenue are listed in the blue pages at the back of your phone directory under Government of Ontario.

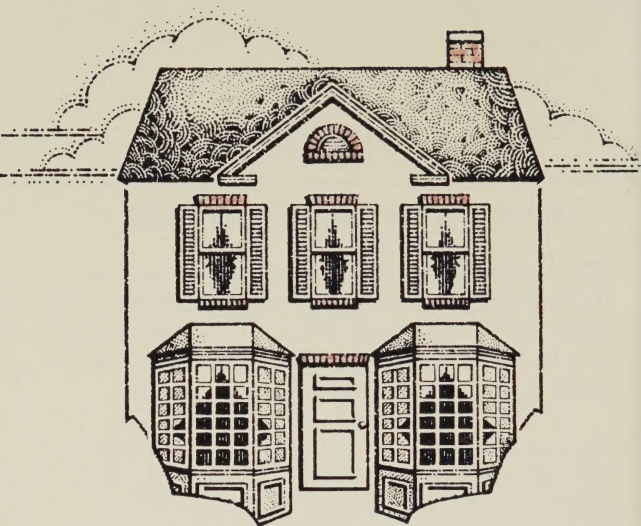
You can send either the original notice or a photocopy to the board's regional registrar with the back of the notice properly completed or you can send a letter of complaint. Instructions on how to prepare such a letter are contained at the back of your assessment notice.

It is important that your name, the location and description of your property, your complete assessment roll number, your mailing address, postal code and complete reasons for your appeal are clearly indicated in your letter.

You must file an appeal before the deadline shown on your Notice of Assessment otherwise you lose the right to appeal the assessment for that year.

The regional registrar will give at least 14 days notice of the date, time and location of your hearing. Board appeals are usually conducted in local government offices or community centres.

If you should change your mind, you can withdraw your appeal by writing to the regional registrar of the board as far in advance of your hearing date as possible. A phone call is not enough; your signature is required on a withdrawal notice.



HOW TO PREPARE YOUR CASE

There's one basic way to check out whether or not you have been unfairly assessed. You can go to your municipal government office whose address is listed in the blue pages of your phone directory. There, you can inspect assessment rolls free of charge. These rolls will tell you the assessment of your own and your neighbors' properties.

Keep in mind, though, that the comparisons you make must be with similar houses in your vicinity. You can't, for example, compare the assessment of a three-bedroom home with a 60-foot lot with a neighbor's two-bedroom house on a 40-foot lot.

If you discover a significant difference between the assessment of your own property and those of comparable houses, then you have the basis for an appeal.

There are other checks you can make to see if your assessment is fair:

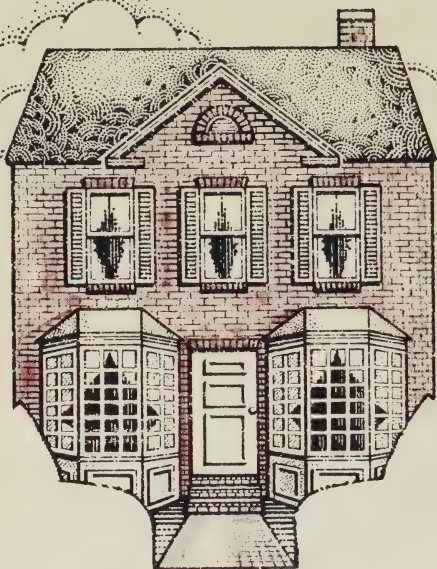
- Estimate the market value of your property. If you've bought or sold recently then you should have a good idea what it is. If not, you may want to call in an appraiser or a real estate agent.

-
- Ask your regional assessment office what percentage of market value is used to calculate assessed values in your municipality. If the assessed value is, say, 10 per cent of market value and you figure your house would sell for \$60,000, then your assessed value should be around \$6,000.

The question now is how to go about finding the market value of neighborhood homes similar to your own. That takes time and care, but it's not a difficult task.

There are a few sources you can tap:

- Neighbors who have recently sold or bought a property similar to your own.
- A local real estate agent who may be able to give you an accurate estimate of current market values in your vicinity.
- Land registry offices, which contain the history of all properties in your area.
- Real estate advertisements in your local newspapers.



LAND REGISTRY OFFICES: HOW TO USE THEM

When you have determined which houses in your vicinity you want to use for comparison, go to your municipal office. This office will be able to give you the lot and plan number of each property and the owner's name.

Once you have this information you can then go to the land registry office. The location and phone number of your nearest land registry office are given in the blue pages at the back of your directory under Government of Ontario, Consumer and Commercial Relations.

Ask for the files on each of the properties you want to use as comparisons. These files will give you details of each property, including land price, lot size, sales, mortgages and owners' names. You should be able to determine market value from all of this information.

There's a nominal fee to examine file material and to have copies made of pertinent documents.

ARRANGING YOUR RESEARCH

You will want to assemble your material for the Assessment Review Board in the most effective way.

It will make your job and the board's job easier if you list the details of each comparable property on a separate piece of paper. It may also help if you can attach a photograph of each property, including your own, at the top of the appropriate page.

Appeal boards tend to be unimpressed with guesses of market value so try to make sure the information you have is as accurate as you can find. It is important to provide accurate and clear information.

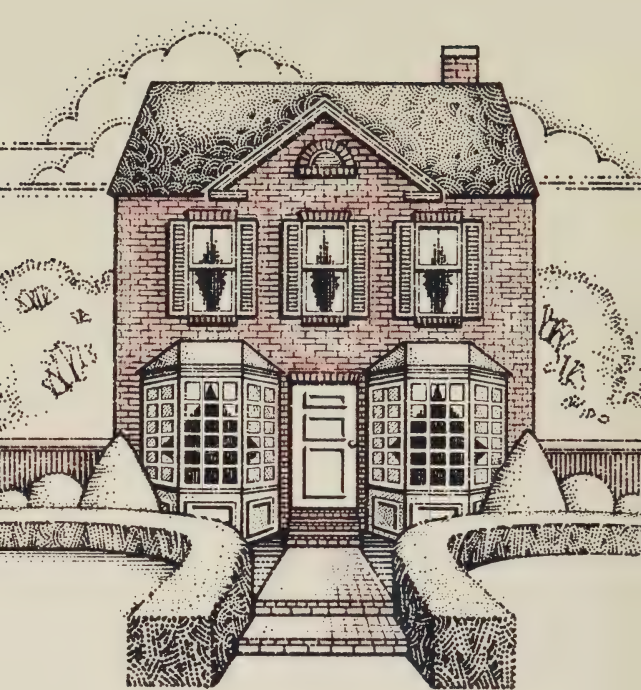
HOW THE TRIBUNALS WORK

Both appeal boards, the Assessment Review Board and the Ontario Municipal Board, are more informal and more relaxed than courts of law where there are strict rules of evidence.

You can argue your own case before them rather than hire a lawyer. You may, of course, seek legal help if you wish or you may have an agent— a friend or acquaintance— speak on your behalf.

The boards decide questions of fact such as the correct estimate of the market value of your property or whether or not the work on the house is a repair or a renovation, resulting in a higher assessment.

Legal questions which arise in appeals are settled by judges in courts of law. Such questions don't often occur in residential appeals.



ASSESSMENT REVIEW BOARD

The main function of the Assessment Review Board is to provide property owners in Ontario with fair treatment in the distribution of taxes and a reasonable opportunity to be heard if they believe there is an error or unfairness in their assessments. Property owners are able to appear and state their case before the board in a simple and straightforward way and not face a complicated and confusing procedure.

Hearings are conducted by a board member and usually are held in municipal government offices or community centres.

A board hearing is designed to be as simple and easy to follow as possible. If at any time during the hearing you're unsure of what's happening you are entitled to ask for an explanation.

One point to keep in mind: the responsibility to prove unfairness or an error in your assessment is on you, the property owner.

The assessor usually gives evidence first and then it's your turn. After this, you can be questioned by the assessor and you, in turn, can question the assessor.

The presiding board member may question both of you.

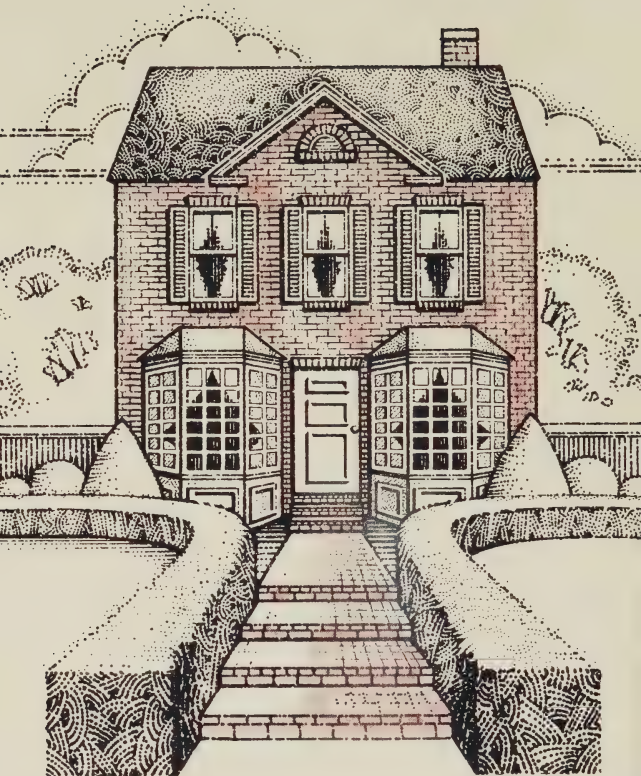
Make sure the assessor explains in detail how your assessment was made.

You can at this point introduce any new evidence you have. If you do, it can be challenged by the assessor.

The presiding board member's decision usually is given orally at the close of the hearing. You may ask to have the reasons for the decision in writing. In any case, a formal Notice of Decision will be mailed to you.

If the decision is against you, you may wish to make a further appeal to the Ontario Municipal Board. If it's in your favor, the Regional Assessment Commissioner of the Ministry of Revenue or your municipality may wish to launch their own appeal against it.

Whatever the case, no changes to the assessment rolls and no adjustment of taxes will be made until a final decision has been given.



ONTARIO MUNICIPAL BOARD

Let's assume that the Assessment Review Board has ruled against you and you remain dissatisfied. Your next move is an appeal from that decision to a higher tribunal, the Ontario Municipal Board.

Appeals to the board must be made within 21 days of the mailing of the written notice of the Assessment Review Board's decision. You must mail to the regional registrar of the Assessment Review Board a notice of appeal to the board along with a fee. A fee schedule will be sent to you with the Notice of Decision.

You will be informed by the Ontario Municipal Board of the date, time and place of your hearing.

As with the lower tribunal, you can appear before the Ontario Municipal Board personally or appoint an agent or lawyer to appear for you. If you've handled your own affairs at the earlier hearing, there is no reason why you can't do the same at the Ontario Municipal Board.

The board hearing is a whole new trial of the issue so you can introduce any fresh evidence you have as well as restating the arguments you made before the Assessment Review Board. So can the assessor.

Each of you is entitled to question the other on the old and new evidence each presents. And, as with the earlier appeal, each of you can be questioned at any time by the presiding Ontario Municipal Board members.

As befits a higher tribunal, the Ontario Municipal Board hearing is perhaps a little bit more formal than the Assessment Review Board, but not in any way that will intimidate you, the appellant.

Procedures are semi-formal and the format is flexible. Usually the presiding member will outline how the hearing will run— who will be heard first, for example.

The presiding member's decision at the close of the hearing can be oral. In any case, a copy of the board's decision is mailed to all parties to the appeal.

If you wish to withdraw your appeal to the Ontario Municipal Board you must do so in writing and as far in advance of the hearing date as possible.

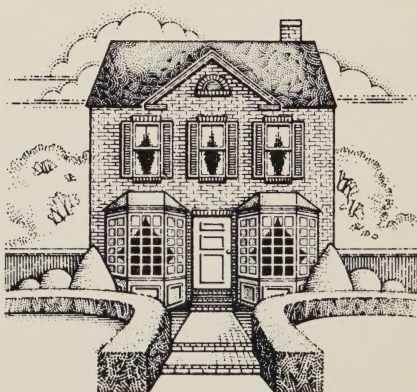
SOME TIPS

Here are some pointers you might find useful at your appeal hearing:

- If you do not understand a question either from the presiding member or the assessor, ask to have it clarified. You can hurt your case by giving replies to questions you haven't grasped.
- Explain your case slowly and carefully. Take as much time as you need, within reason, to present it. Refuse to be hurried.
- Stick to the point. Property owners understandably regard appeal tribunals as forums at which they can vent their feelings about taxes. As mentioned earlier in this booklet, neither the boards nor the assessors set your taxes.

LEGAL QUESTIONS

An Ontario Municipal Board decision can be appealed to the Divisional Court of Ontario, but only on a question of law.



NEED MORE INFORMATION?

As the Attorney General explained in his message, this booklet is one of a series designed to make the workings of our legal system more understandable and accessible to the public. But this publication is not the last word on the assessment system.

If you wish to know more about the system, we refer you to the Ministry of Revenue's own publications. And, of course, you can supplement your knowledge by contacting your regional assessment office for information.

Additional copies of this booklet are available by writing to:

Publications Services

5th Floor

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